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Memorandum for: Record

These Talking Points were requested by Ty Cobb, NSC, for the President and prepared by CM Branch, Western Europe Division.

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The Italian Communist Party

So Close But Yet So Far

Thirty-eight years have passed since Italy's greatest postwar Prime Minister, Alcide DeGasperi, expelled the Italian Communist Party (PCI) from his coalition government. Today, the Communists have reached a crossroads in their search to regain power. They are within a whisker of laying claim to the title of largest party, but at the same time, the policy gap between them and their potential allies has increased -- a difficult position for a party aspiring to govern in a political culture that emphasizes compromise rather than confrontation.

- -- The June 1983 legislative election brought the Communists within 3 percentage points of the Christian Democrats, who have been the frontrunners for the entire postwar period. For the first time, it became mathematically possible for the Communists and the small parties to form a government without the Christian Democrats.
- -- Engineering such a coalition would be difficult under the best circumstances, given the ideological differences that separate the parties. To make matters more difficult, the numerical breakdown in Parliament dictates that any coalition arrangement that excludes the Christian Democrats must be based on a deal between the Communists and the Socialists.

This is not very likely so long as Prime Minister Craxi leads the Socialists. Craxi's disdain for Communism as an ideology and his distrust of the PCI have deep roots.

- -- He still resents how the Communists used their "Unity Pact" with the Socialists in 1948 to increase their strength at the Socialists' expense, blaming the PCI for the failure of his father's candidacy in that election.
- -- Craxi was also strongly repelled by the harsh treatment Moscow meted out to friends who held moderate views in Hungary and Poland in the 1950s. These negative attitudes were reinforced further by the Soviet invasion of Czechoslovakia in 1968.

The Socialist Party under Craxi has continued its gradual abandonment of its traditional Marxist ideology, and it strongly supports wage restraint, for example, as well as INF and NATO modernization.

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 Many long-time part	ty militants are clearly uncomfo	ortable with Craxi's
policies, however,	and would prefer to work with t	the Communists rather
than the Christian	Democrats.	•

 In fact, Craxi has been unable to translate the party's shift toward
the center into substantial gains at the ballot box. Should the
Socialists fail to top the 15-percent mark in nation-wide local and
administrative elections this spring, his control over the party
probably would be weakened to the benefit of those such as Rino
Formica and Gianni DeMichelis, who prefer closer collaboration with
the Communists

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Failing an alliance with the Socialists, the Communists' only alternative route to power is through working with the Christian Democrats.

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The DC politicians apparently had in mind something short of actual Communist participation in the government. They may have viewed the so-called "National Solidarity" governments of 1976-79, in which the Communists traded their parliamentary support for concessions on social and economic issues, as a possible model.

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The sudden death last spring of former Communist Party Secretary Berlinguer brought these discussions to a close. Since coming to power, Berlinguer's successor, Alessandro Natta, has concentrated his efforts on improving relations with the Socialists.

- -- Natta, who is more reticent about dealing with Catholic politicians than Berlinguer, caused enormous consternation among leftwing Christian Democrats in Parliament last fall by supporting allegations of misconduct against Andreotti.
- -- But after nine months of confrontation with the Christian Democrats, the Communists have begun to soften their line.

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The Communists hope to demonstrate that their 0.3-percent victory over the Christian Democrats in the June 1984 European Parliament election was not simply a sympathetic outpouring over Berlinguer. Although another narrow Communist win in the regional elections this May would not affect the arithmetic in the Parliament, it would profoundly alter the psychological climate and could provide the Communists the kind of opening they have been looking for. The PCI wants to be in position to strike a bargain with either camp once the votes are counted.

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· Origins of Communist Strength

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The Communists owe their pivotal position on the Italian political scene to historical and socio-economic factors.

-- They established their credentials as patriots by participating in the antifascist resistance and helping to draft the constitution. Polls indicate that, unlike the British or American Communists, they are not generally seen as agents of an alien power.

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	As the preeminent party of opposition, they have been able to establish themselves as the spokesmen of the discontented and havenots and as strong opponents of corruption. They draw support from all classes and regions.				
· ·	The Communists have made the most of these advantages through strong organization and good leadership.				
	The party is an interlocking network of groups youth groups, women's groups, trade unions that transmit messages between the party leadership and the base. This machinery has often enabled them to keep in better touch with popular sentiment than their opponents do.				
	Despite the involvement of individual Communists here and there in political corruption, the party has worked hard to establish an image of responsible participation in Parliament and of opposition to corruption and terrorism.				
	They have enhanced their reputation as patriotic Italians by publicly distancing themselves from the Soviets - criticizing the Soviet system and condemning Soviet abuses of human rights, the invasion of Czechoslovakia, and the military coup in Poland.				
	Internal Problems 25X				
1 .	The successes of Italian Communism have not come free of cost. Some hidebound Communist voters have not been able to accept the party's willingness to support centrist governments and austerity measures that hit workers the hardest.				
	Although the Communists held steady in the 1983 national election, they have slipped more than 4 percentage points from the high reached in 1976.				
25X1	The PCI's drift toward compromise with the "bourgeois" parties has strengthened a trend toward factionalism within the Communist leadership in the past decade. Today we can identify at least five factions, ranging from old-line Stalinists to social democrats.				
. 25X1	the party has also had difficulty convincing hardline supporters to accept its criticisms of the Soviets.				
•	The Soviets' most vociferous supporters within the PCI also hew to the "democratic centralism" line and will not let their dispute with the leadership get out of hand.				
	Paradoxically, however, this disagreement has led to calls from moderate party members, according to US officials, for more open discussion and democracy within the party. 25X1				

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		Although the prominence of moderates in the party leadership makes the Communists more acceptable partners to the other Italian parties, their recent internal divisions also reduce the organizational advantage they have enjoyed in the past.	1	
	:	Changes in Italian Communism	•	
	25X1	The evidence suggests than in addition to taking advantage of the system, the Italian Communists to some extent have been coopted by it.	5X1	
٠		The public record indicates that postwar PCI leaders long ago concluded they would have to form a coalition with other parties in order to govern Italy effectively. Any lingering notions of establishing a one-party state in Italy appear to have been dispelled by the fall of the Allende government in Chile in 1973.	5 X 1	
25	5 X1	there was no hope for a Communist government to survive in a Western country unless it was supported by an overwhelming majority of the population not a realistic possibility in Italy.	X1	
		In fact, the domestic political tactics of the Communists are similar to those of the other Italian parties. Their major goal is to win representation in the government and control several key ministries. They would hope to use such a foot in the door not only to pursue their program, but also to enhance their "respectability" at the polls.		
	25X1	In short, we believe the PCI can only come to power as part of a multi-party coalition in which they, like the other parties, would have to compromise on one point to secure concessions on another.		
		Circumstances have forced the Italian Communists to be relatively moderate, but this does not mean that their participation in government should be a matter of indifference to the United States. Although no puppets of the Soviet Union, few Italian Communist leaders are well disposed toward the United States. Once in government, they would undoubtedly attempt to nudge Italy in the direction of a neutralist stance.	•	

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